

Government Efficiency and Accountability Review (GEAR)

GEAR11 Board Meeting
November 14th 2018



<https://gear.delaware.gov/>

Agenda

75 min

1. Introductions
2. Old Business
 - Review/approve minutes
 - GEAR team update
3. New business
 - 2019 GEAR Board meeting schedule
4. Deep Dive
 - DHSS & Healthcare
 - P3

45 min

5. Annual Report review / comments
6. Open Topics discussion -- Board
7. Public Comment
8. Adjourn



Old Business

Review/Approve Minutes from Prior Board meeting

Sent to Board for review November 1st, 2018



Old Business

2018 GEAR Board Schedule

Tuesday, January 9, 2018

10:00 a.m. to 12:00 p.m.

New Castle County

Wednesday, March 14, 2018

8:00 a.m. to 10:00 a.m.

Dover

Tuesday, May 15, 2018

10:00 a.m. to 12:00 p.m.

New Castle County

Wednesday, July 11, 2018

8:00 a.m. to 10:00 a.m.

Dover

Tuesday, September 18, 2018

9:00 a.m. to 11:00 a.m.

New Castle County

Wednesday, November 14, 2018

8:00 a.m. to 10:00 a.m.

Dover

DHSS & Healthcare

P3 – Public/Private Partnerships



New Business

Proposed 2019 GEAR Board Schedule

Wednesday, January 16, 2019

9:00am to 11:00am

Haslet Armory, Conference Room 219

Tuesday, July 16, 2019

9:00am to 11:00am

Buena Vista, Buck Library

Tuesday, March 19, 2019

10:00am to 12:00pm

Buena Vista, Buck Library

Wednesday, September 18, 2019

10:00am to 12:00pm

Haslet Armory, Conference Room 219

Wednesday, May 15, 2019

8:00am to 10:00am

Haslet Armory, Conference Room 219

Tuesday, November 19, 2019

8:00am to 10:00am

Buena Vista, Buck Library



New Business

Proposed 2019 Deep Dive Schedule

Wednesday, January 16, 2019

Education

Information Technology

Tuesday, July 16, 2019

Information Technology

Human Resources

Tuesday, March 19, 2019

P3 – Public/Private Partnership

Financial Services

Wednesday, September 18, 2019

Financial Services, Education

Criminal Justice

Wednesday, May 15, 2019

DHSS & Healthcare

Criminal Justice

Tuesday, November 19, 2019

DHSS & Healthcare

P3 – Public/Private Partnerships

New Business



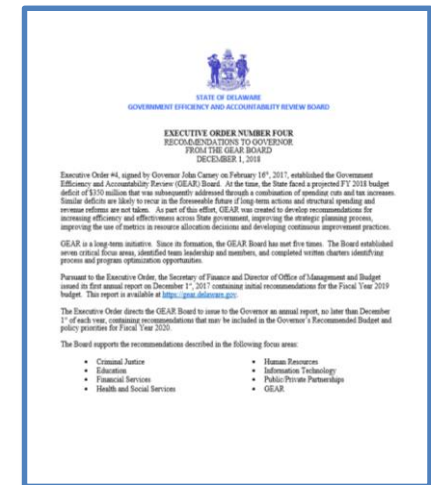
GEAR Team Update

- GEAR website updates:
 - Focus Area updates
 - Publishing team 4-Blockers
- Information Technology update
- Human Resources Delivery update
- DNREC connect
- Focus Areas activities:
 - P3 meeting
 - Financial Services team
 - GEAR / School districts business managers meeting
- GEAR Award
- GEAR Annual Report



GEAR Second Annual Report

- Second annual GEAR report containing continuous improvement recommendations for the Governor
- Schedule
 - Sept-Oct Interviews
 - Nov 7th Draft completed, Board reviews
 - **Nov 14th GEAR Board review/approval**
 - Nov 19th Final comments due from Board
 - Nov 21st Final version mailed to Board
 - **Dec 1st Report posted on GEAR website**



- | | |
|------------------------------|-------------------------------|
| • Criminal Justice | • Human Resources |
| • Education | • Information Technology |
| • Financial Services | • Public-Private Partnerships |
| • Health and Social Services | • GEAR |

Deep Dive

DHSS & Healthcare

Kara Odom Walker, MD, MPH, MSHS
DHSS Cabinet Secretary



Healthcare Spending and Quality Benchmarks

- Governor Carney signed HJR 7 in September 2017.
- This launched a year of outreach to and feedback from stakeholders across the state.
- In August 2018 DHSS sent recommendations for establishing health care spending and quality benchmarks to Governor Carney

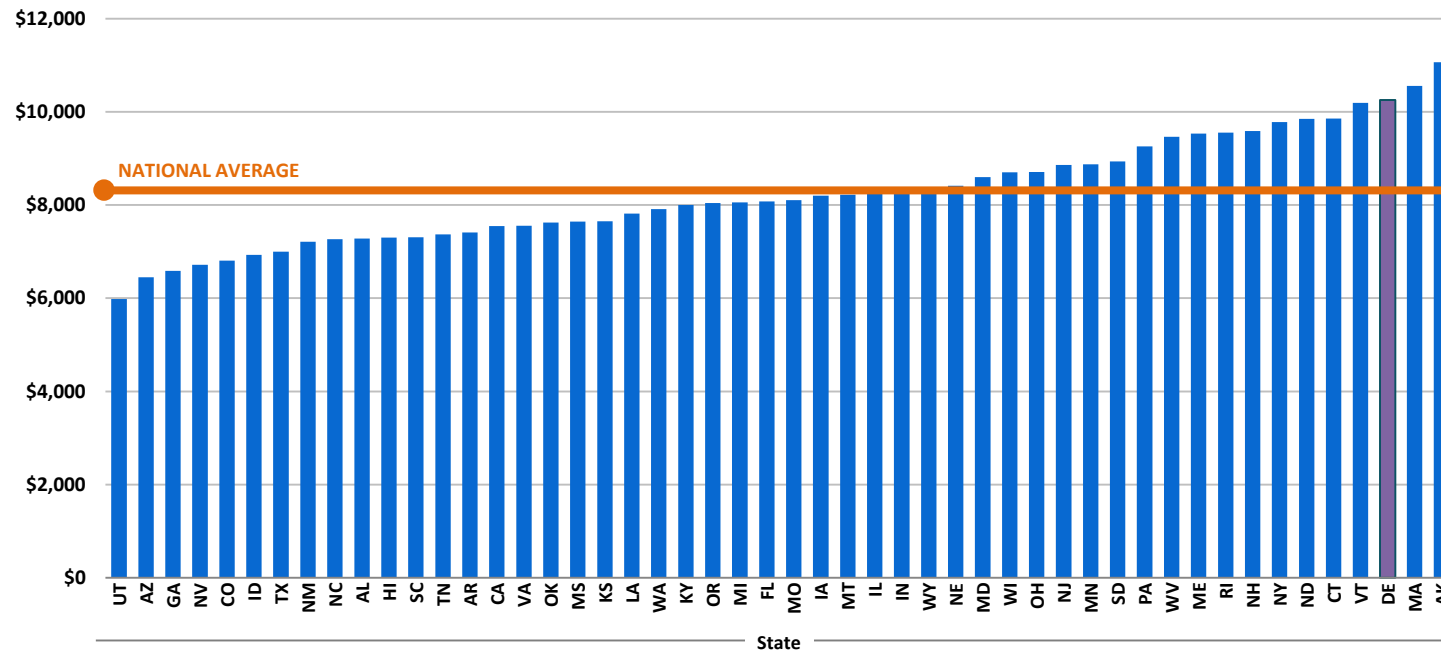


Why the Benchmark Is Important

- Delaware's per-capita health care costs are **more than 25% above** the U.S. average.
- Delaware's health care spending is expected to more than **double by 2025**.
- Health care costs consume at least **30 percent** of Delaware's budget.

Delaware Spends More on Health Care Than Most Other States

PER CAPITA PERSONAL HEALTH CARE EXPENDITURES, 2014



NOTE: District of Columbia is not included.

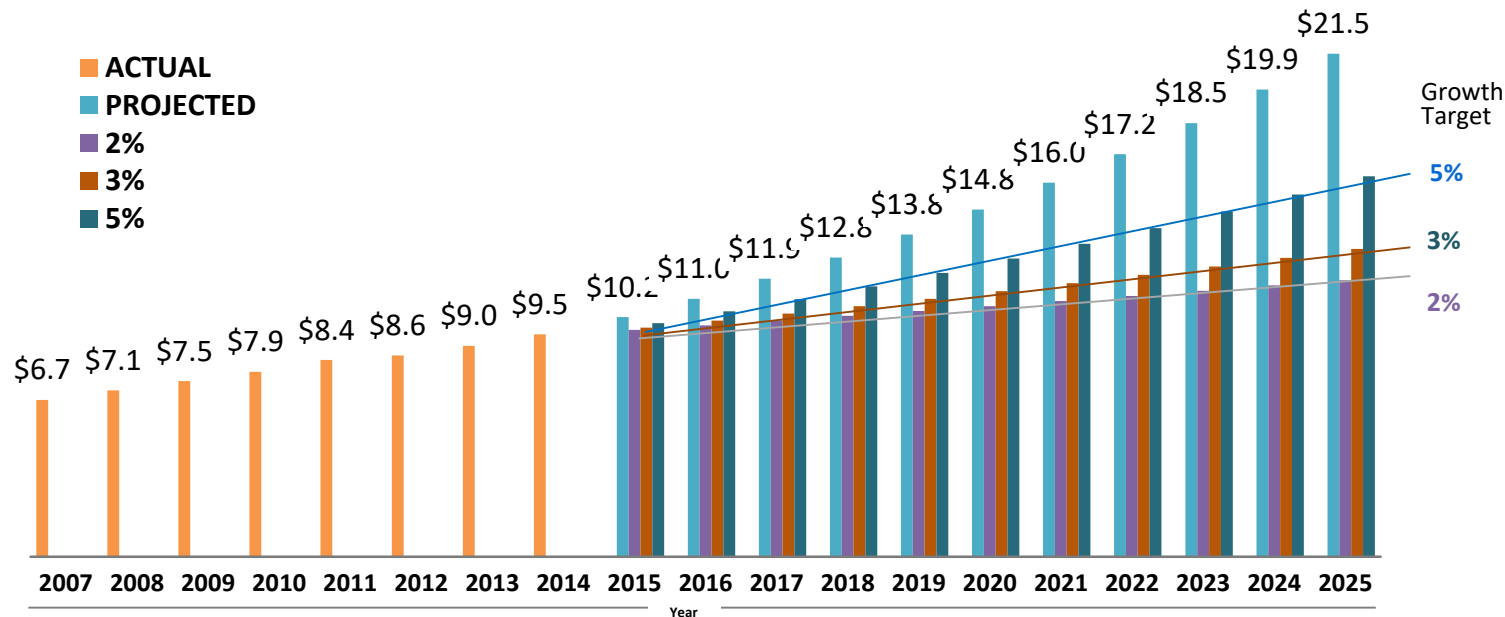
SOURCE: Centers for Medicare & Medicaid Services, [Health Expenditures by State of Residence](#), CMS, 2017.

#ourhealthDE



Delaware's Total Health Spending Will Double from 2015-2025

DELAWARE'S ACTUAL AND PROJECTED PERSONAL HEALTH CARE EXPENDITURES, 2007—2025
(BILLIONS OF DOLLARS)

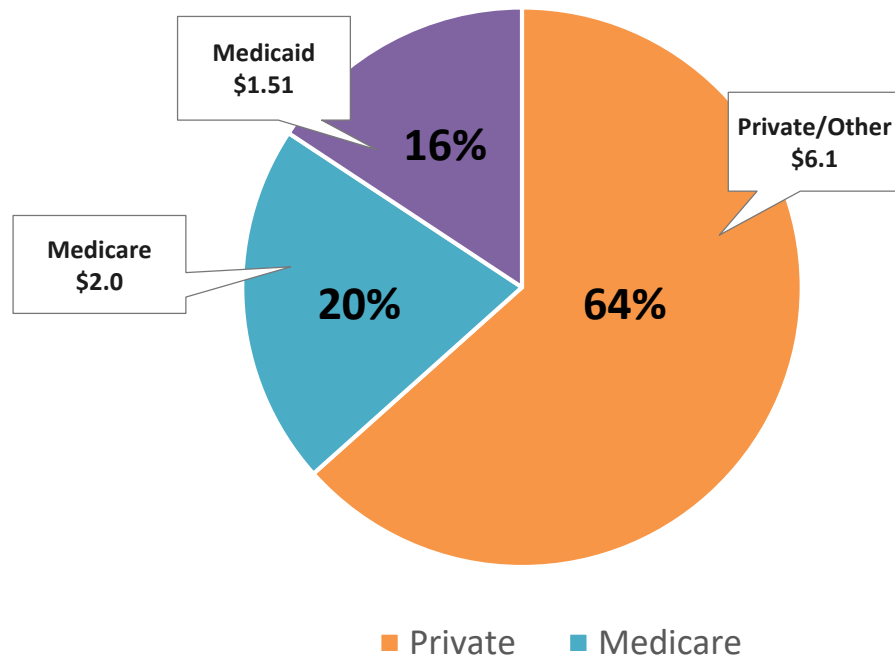


SOURCE: Centers for Medicare & Medicaid Services, [Health Expenditures by State of Residence](#), CMS, 2017;

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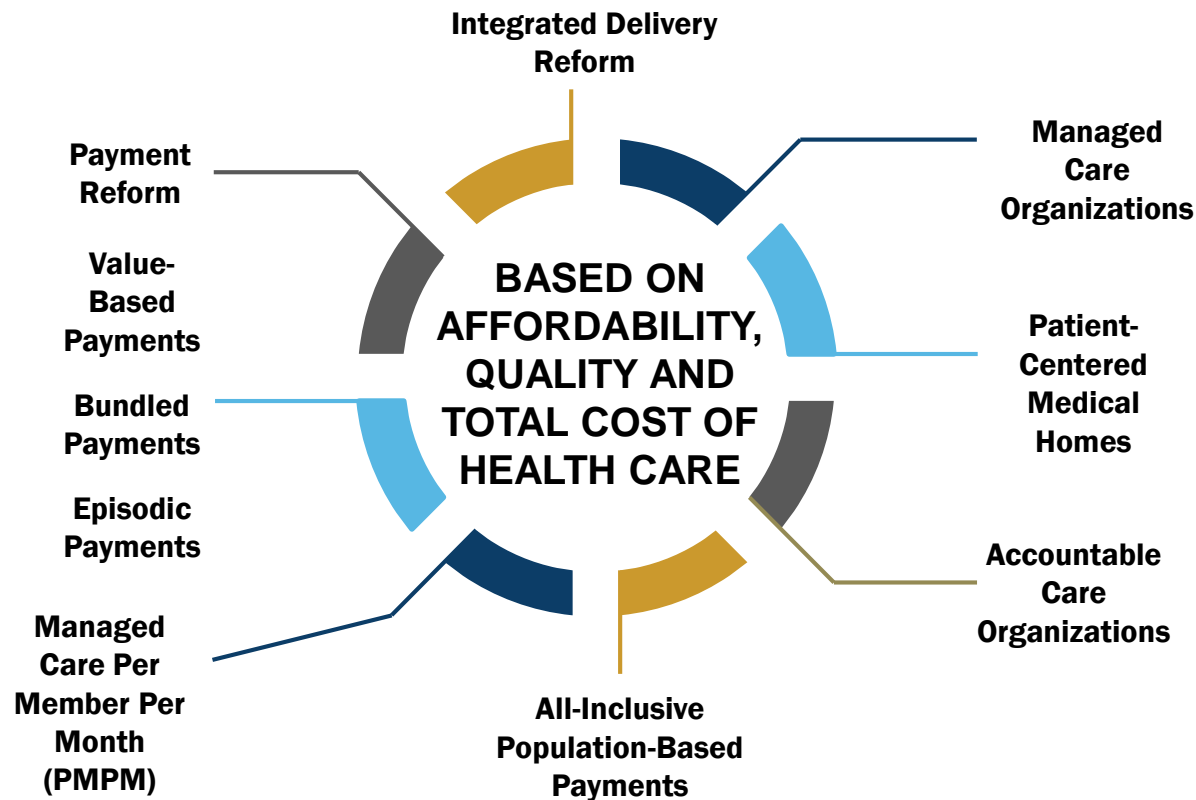
Medicare and Medicaid Account for Nearly 40% of Delaware's Health Spending

TOTAL PERSONAL HEALTH EXPENDITURES BY PAYER IN DELAWARE, 2014 (MILLIONS OF DOLLARS)



SOURCE: Centers for Medicare & Medicaid Services, [Health Expenditures by State of Residence](#), CMS, 2017

What's Included in the Benchmark



Recommendations

- The spending benchmark should be expressed as a rate using a calculated measure of the PGSP growth.
- The initial benchmark should remain in place for five years.



Recommendations

(DEFAC) should establish a new Health Care Spending Benchmark Subcommittee to review the inflation component of the benchmark and the methodology of calculating the benchmark for 2024 and beyond.



Recommendations

- The HCC should be responsible for setting the spending benchmark and consider changes to the target between 2020 and 2023 if the DEFAC Subcommittee so recommends.
- The HCC should collect timely and accurate data from licensed health insurers – using the Health Care Claims Database.



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Recommendations

- The quality benchmarks should monitor and establish accountability for improved health care quality that bends the health care cost growth curve.
- The quality benchmarks should be focused on high-priority areas, including ambulatory care-sensitive emergency department visits; opioid-related overdose deaths and co-prescribed opioid and benzodiazepine prescriptions; and cardiovascular disease prevention.

Recommendations



That there should be aspirational benchmarks along with more incremental annual benchmarks, and that HCC should convene a time-limited advisory group to inform the HCC on whether the quality measures should change to reflect new priorities or improved performance.

How You Can Get Involved

- Visit ChooseHealthDE.com's relaunched website to read more about the benchmark:
<https://www.choosehealthde.com/Health-Care-Spending-Benchmark>
- Read more at the Health Care Commission website:
<http://dhss.delaware.gov/dhcc/global.html>
- Watch archived Facebook Live videos of benchmark summits:
[Facebook.com/DelawareDHSS](https://www.facebook.com/DelawareDHSS) or [youtube.com/DelDHSS](https://www.youtube.com/DelDHSS)
- Read Secretary Walker's recommendations to Governor Carney on the benchmarks:
https://dhss.delaware.gov/dhss/files/reporttogovernor_082718.pdf
- Send public comments via email to: OurHealthDE@state.de.us

Reducing Operational Costs

Overtime

- Identify and address OT drivers
- Advocate for changes to OT calculation

Leases

- Maximize state owned space
- Support land inventory and lease study

Fleet

- Quarterly monitoring of usage

Reducing Operational Costs

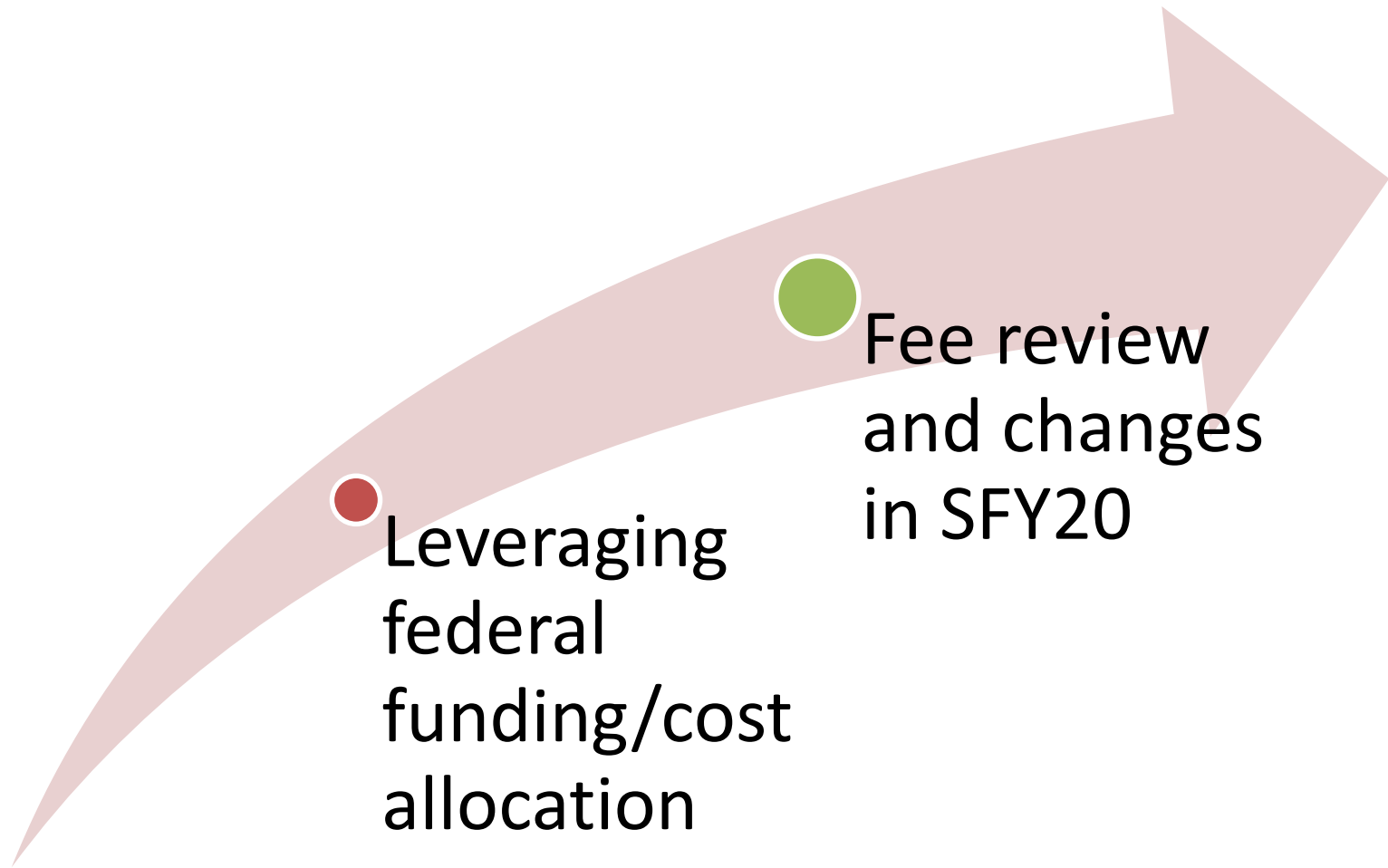
Energy

- Partnered with Seiberlich Trane Energy Services, to complete a formal audit of the targeted locations and to identify energy conservation measures.
- 40) Buildings at (6) service centers and (4) campus locations will be included in the energy-saving project.

Postage

- Eliminated redundant notices to purchase of care providers.
- Work with OST to put TANF benefits on a debit card.

Increasing Revenue



New Initiative- Strategic Planning



Deep Dive

P3 Public Private Partnerships

Ernie Dianastasis
GEAR member / P3 Task Force Chair

ernied@theprecisionists.com

P3 Task Force

- Ernie Dianastasis, P3 Task Force Chair, and CEO, The Precisionists (TPI)
- James Collins – Cabinet Secretary of DTI
- Ken Simpler – Delaware State Treasurer
- Daniel Madrid – State Treasurer’s office
- James Myran – Co-Chair of GEAR, Department of Finance
- Bryan Sullivan – Co-Chair of GEAR, OMB
- Bruce Weber- Dean of Lerner College of Business, University of Delaware
- Gary Stockbridge – President, Delmarva Power
- Rod Ward, CEO of CSC Global
- Scott Malfitano, EVP at CSC Global
- Robert McMurray, CFO of Christiana Care Health System
- Chip Rossi- DE Market President, Bank of America

P3 Key Criteria

The critical P3 opportunities fall into one of three categories:

Aspirational:

- Five to ten year horizon, transformative in quality of life or financial impact to Delaware, can reduce costs or increase revenue by \$20 - \$500 million annually through major innovation.

• Strategic:

- Two to five year horizon, systemic quality of life or financial impact to Delaware, can reduce costs or increase revenue by \$2 – 20 million annually through continuous process improvement.

• Tactical:

- One to two year horizon, incremental quality of life and/or financial impact to Delaware, can reduce costs and/or increase revenue by \$50K - \$2 million annually through continuous process improvement.

2018 Accomplishments

Established the Public/Private Innovation and Efficiency GEAR Award

The GEAR program, Department of Human Resources, Department of Finance, and the Delaware business community represented by the GEAR Public-Private Partnership (P3) team, has established an annual award to recognize and incentivize individuals or groups of Delaware state employees who can demonstrate successful implementations of innovative, continuous improvement projects. Those selected for the award will serve as models that promote interest and awareness in State government continuous improvement activities, encourage information sharing, and demonstrate the advantage of leveraging successful strategies to other organizations.

The Governor's GEAR Award addresses several of the Governor's GEAR strategies including: developing ideas to improve the efficiency and effectiveness of government processes and programs statewide; rewarding state employees that drive potential cost savings resulting from shared services which span state agencies; identifying and showcasing quality improvement initiatives currently existing within State government; and sharing best practices across State government.

2018 Accomplishments

Established the Public/Private Innovation and Efficiency GEAR Award

- The award provides a direct monetary incentive to awardees.
- The award recognizes project teams and employees who can demonstrate continuous improvement solutions with verifiable results in process and/or service quality, speed, or cost savings.
- Judges will include selected Cabinet Secretaries and Division Directors from the Executive Branch and members of the Delaware business community represented by the GEAR Public Private Partnership (P3) team.
- The award will be incorporated into the existing Governor's Team Excellence Award process
- The program is jointly funded by both the private-sector and the State of Delaware. This joint investment truly cements the commitment to a P3 (Public-Private Partnership).
- This program has the strong support of the Delaware Business Roundtable and the Delaware State Chamber of Commerce from the private-sector.
- Initial investors from private sector: Bank of America, WSFS, Delmarva Power & The Precisionists

Ideas and Initiatives for 2019

Assist in the implementation of the Delaware Governmental Accountability Act

P3 Task Force will focus on how to leverage private sector expertise to help the State of Delaware with the implementation of the revised Delaware Governmental Accountability Act. This expertise will focus on how to develop:

1. a robust strategic planning process,
2. meaningful performance metrics,
3. evaluation methods, and
4. continuous process improvement feedback loops.

This then could assist the General Assembly to use the data and processes to re-invent their own budgeting process so that performance-based decision-making becomes the norm and not the exception. P3's efforts effectively become a think tank around the development of a new set of accountability measures for State government and adds value at all three levels: tactical – advisory support to the state; strategic – through loaned private-sector executives; and aspirational – by creating a true “Open Government” citizen-facing web portal which shows all the metrics, scorecards and actual measurements, highlighting that Delaware is best in class across all fifty states in accountable, transparent and measurable government. (Ideation – Ken Simpler & Dan Madrid)

Loaned executives can play a key role in this initiative.



Ideas and Initiatives for 2019

Expert public/private RFP and Grant Proposal writing team

A second idea for review in 2019 will be the concept of creating a P3 team that responds to significant federal government research grants and funding opportunities for Delaware. A strong team comprised of top people from the private- and public-sectors could significantly increase Delaware agencies' chance of winning major grants and awards that would allow significant investments to be made in education reform and healthcare support programs. (Ideation- Ernie D.)

Ideas and Initiatives for 2019

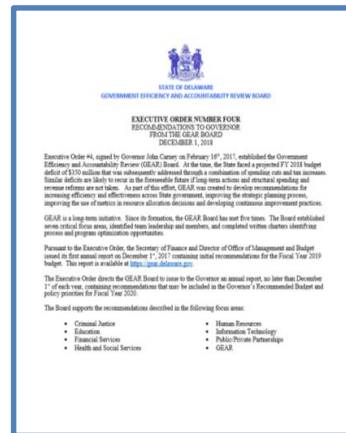
Next generation workforce for digital innovation

Develop the next generation workforce that is ready to participate in digital innovation. There are already elements of this occurring in the State. The P3 team will explore whether to expand the existing programs or help develop a more coordinated approach. P3 team (James Collins) has broached the topic with the Microsoft, Apple, Amazon and Google; they have indicated interested in participating. (Ideation- James Collins)

Annual Report

GEAR Annual Report

Review / Comments



Overview

1. Criminal Justice
2. Education
3. Financial Services
4. Health and Social Services
5. Human Resources
6. Information Technology
7. Public/Private Partnerships
8. GEAR

Criminal Justice

Improve Technology and Data

- Standardized Sentencing Orders
- Criminal and Civil e-Filing
- Technology to Reduce Costs (such as costs for transporting inmates)
- Eliminate the Manual Payment of Bail
- Increase the Capacity for Data Management and Statistical Research

Simplify and Make Statutes More Cohesive

- Criminal Code Reform
- Modernize the Pre-Trial System

Give Offenders a Better Chance to Succeed

- Reduce Debt Burden on Ex-Offenders
- Develop a Wilmington Community Court
- More Community-Based Drug Treatment
- Reduce Recidivism

The Means to Progress

- Expansion of Process Improvement Efforts
- Partner with Universities for Expanded Research Capacity
- Improved Organizational Structures

Education

- *Charter school transportation study*
- *Proxy/Content filtering*
- Council on Educational Technology
- Data standardization for financial transparency
- Partner with school districts to identify and implement strategies to improve cost savings, efficiencies and equity within public education

Financial Services

- **Reintroduce strategic planning and performance budgeting processes**
- **Conduct a comprehensive review of State's banking structure**
- Eliminate duplicative internal financial service functions
- Ensure effective internal control systems are developed and maintained
- Improve data integration and mapping
- **Require all State agencies to use Delaware Population Consortium projections**
- Establish centralized land inventory database
- **Create a financial services roundtable**
- Ensure effective internal control systems are developed and maintained: Travel per Diem
- Ensure effective internal control systems are developed and maintained: PCard
- Department of Finance Integrated Revenue Admin System (IRAS)
- OMB (DFM & GSS) contractual real estate support to address office space leases

Health and Social Services

- Overtime Reduction
- Lease Cost Containment
- Energy Savings
- Fleet Cost Reduction
- Mailing and Postage
- Increasing Fees
- Leveraging Federal Funding

Human Resources

- Implement HR centralization
- Talent Acquisition – Resetting Recruitment and Retention
- Reduce healthcare operating costs
- Insurance Coverage - Reduce Workers' Compensation Costs

Information Technology

- More effectively leverage Delaware's Information Technology resources and services
- Legislative updates to DTI's enabling statute (Title 29, Section 90c)
- Building the next generation of IT professionals

P3

- Establish the Public/Private Innovation and Efficiency GEAR Award
- Identify P3 Opportunities
- Loaned Executive program
- Connect to Lerner School of Business and Economics
- Assist in the implementation of the Delaware Governmental Accountability Act
- Expert public/private RFP and Grant Proposal writing team
- Next generation workforce for digital innovation



GEAR

- Initiate continuous quality improvement training and development
 - First State Quality Improvement Fund
- Augment leadership training provided by the State
- Require the establishment of continuous improvement teams in State agencies
- Support the Reintroduction of the GAA and Population Consortium legislation
- Promote GEAR within the School Districts



- **Open topics Discussion – Board**
- **Public Comment**

Adjourn



Contact



Please direct any inquiries about the Delaware GEAR program to:

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